Exhibit 4

U.S. Department of Justice

Antitrust Division

City Center Building
1401 H Street, NW
Washington, DC 20530

May 5, 2003

Raymond A. Jacobsen, Jr., Esquire
McDermott, Will & Emery
600 Thirteenth St., NW
Washington, DC 20005-3096

Re: Comment on Proposed Final Judgment in *United States v. Northrop Grumman Corporation and TRW Inc.*, No. 1:02CV02432, filed December 11, 2002

Dear Mr. Jacobsen:

This letter responds to your March 17 letter, commenting on the proposed Final Judgment submitted for entry in the captioned case. The government's Complaint in the case charged that the proposed acquisition of TRW Inc. ("TRW") by Northrop Grumman Corp. ("Northrop") would combine one of the only two suppliers of radar and EO/IR payloads for reconnaissance satellite systems sold to the U.S. Government (Northrop) with one of the few companies able to act as prime contractor on U.S. reconnaissance satellite programs that use these payloads (TRW). The Complaint alleges that as a result of this combination, Northrop would have the incentive and ability to lessen competition by favoring its own payload and/or prime contractor capabilities to the detriment or foreclosure of competitors, and would harm the U.S. Government by posing an immediate danger to competition in two current or future programs, the Space-Based Radar and Space Based InfraRed System-Low programs (the latter program is now called the Space Tracking and Surveillance System).

In your letter, you note that Lockheed "fully supports" the non-discrimination principles set forth in the Final Judgment, and specifically endorses many of the provisions in that Final Judgment, including both the non-discrimination requirements themselves and the provisions that enforce the requirements and incentivize Northrop to comply with those requirements voluntarily. However, you also assert that these provisions will not be fully effective unless the Final Judgment is modified in several specific ways.

Section IV.B.(1)(b) of the Final Judgment requires that Northrop negotiate in good faith to enter into teaming agreements with prime contractors who wish to use Northrop electro-optical, infrared, or radar payloads to compete for satellite programs. Lockheed proposes that this provision be modified to include a specific requirement that Northrop negotiate such teaming agreements "on a timely basis," and that the Judgment state explicitly that that "generally means not later than thirty (30) days after the competing prime expresses desire for such Agreement." The United States does not believe that such a provision is either necessary or effective to achieve the objective sought by

Lockheed. "Good faith" necessarily requires that negotiations take place in a timely manner. Northrop could not be considered to have acted in good faith if it unreasonably delayed negotiations in order to give its own team an advantage in a particular competition. I also note that your proposal does not state whether negotiations must be started, or finished, within the requisite 30-day period; if it is the former, that would not protect Lockheed from delays during the negotiations themselves, and if it is the latter there will always still be questions as to which party was responsible for there being no final agreement in the allotted time. In either case, Lockheed's protection will come from the broad duties imposed on Northrop and the enforcement provisions already endorsed by Lockheed.

Your letter next requests that Section IV.B(3) be stricken or modified. That section limits Northrop's obligation to provide payloads to all satellite system primes in the event that the number of primes seeking the payload, or the burden of working with each of them, becomes unreasonably large. This section recognizes that Northrop's resources, including facilities and human capital, are not unlimited. Given the scarcity of human capital in highly demanding technical fields, as well as budgetary constraints at the Department of Defense (DoD), forcing Northrop to form teams with every company that seeks its services, under any and all circumstances, could result in inferior products, and may not be in the best interests of DoD. In such an event, the decree provides that the Secretary of the Air Force shall determine Northrop's teaming arrangements. You propose that the circumstances in which the provision may be invoked be listed in the decree. We believe, however, that it would be unwise to attempt to predict all of the circumstances that could arise in future competitions. The decree provides the Compliance Officer with the necessary flexibility to make this determination when and if it becomes necessary. You also propose that prime contractors be notified if the provision is being invoked. We see no reason to selectively create a separate notice requirement for this particular provision, since prime contractors should know if Northrop is refusing to enter into teaming negotiations with them and will have the opportunity to bring that fact to the attention of the Compliance Officer, who will be reviewing Northrop's actions, and interacting with industry, on a continuing basis.

The next concern in your letter relates to the term "discriminate." Definition N of the Final Judgment provides in part that "'[d]iscriminate' means to choose or advantage Northrop, or to reject or disadvantage a Northrop Prime or Payload competitor, in the procurement process for any reason other than the competitive merits." You state that the use of the phrase "other than the competitive merits" creates a loophole that will permit Northrop to evade its responsibility not to discriminate. This claim misunderstands the purpose and effect of this provision. The purpose of the clause is to permit Northrop to continue to choose its teammates in an efficient and procompetitive manner, while preventing it from engaging in anticompetitive conduct. Prior to the acquisition, Northrop and TRW chose their teammates based in part on considerations such as which teammates offered the best terms and provided the greatest likelihood of ultimately winning the contract. The Final Judgment is not intended to radically change the manner in which such teaming decisions have been made in the past, but to preserve the existing teaming dynamics, by preventing Northrop from basing its decisions on the opportunity to

disadvantage companies that are now competing primes. The use of the term "competitive merits" simply recognizes that Northrop is permitted to continue to act in this rational manner. Therefore, Northrop need not offer precisely the same terms to all teammates. Northrop may take into account, among other things, the terms proposed by that teammate and the likelihood of ultimately winning a contract with that teammate. The Final Judgment provides the Compliance Officer with the flexibility to determine whether any particular teammate has been discriminated against in a manner which violates the Final Judgment.

Finally, Lockheed urges that the required time periods for certain actions to be taken by the Compliance Officer and the Secretary of the Air Force be increased from 5 days to 10 days, [g]iven the importance of this matter, and the demands on the Compliance Officer and Air Force Secretary." The time periods in the Final Judgment must take into account both the need for careful consideration and the need for prompt resolution of disputes. An increase in the time for consideration also increases the time of uncertainty, and as Lockheed has emphasized elsewhere in its comments, timeliness is a significant factor, and tight time frames may be required at critical junctures. Furthermore, as noted above, we anticipate that the Compliance Officer will be overseeing Northrop's conduct on a continuing basis, and will be advised of potential issues well before the time periods actually become effective.

Thank you for bringing your concerns to our attention; we hope this information will help alleviate them. Pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(d), a copy of your comment and this response will be published in the Federal Register and filed with the Court.

Sincerely yours,

J. Robert Kramer II
Chief
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March 17, 2003

BY HAND DELIVERY

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Re: U.S. v. Northrop Grumman Corporation and TRW, Inc. - Proposed Consent Order

Dear Mr. Kramer:

Lockheed Martin Corporation ("Lockheed Martin") respectfully submits the following comments concerning the proposed Consent Order in the captioned matter. Lockheed Martin fully supports the "non-discrimination" principles set forth in Section IV.B. of the proposed Consent Order. (See Part I. infra.) However, for the reasons set forth in Part II infra., certain provisions of the proposed Consent Order need to be deleted or revised to insure that the "non-discrimination" objectives of the Order are achieved.

I. Lockheed Martin Fully Supports the Non-Discrimination Principles Set Forth in Section IV.B. of the Consent Order

As the Competitive Impact Statement ("CIS") reflects, Northrop Grumman is one of two leading suppliers of radar and electro-optical/infrared ("EO/IR") payloads for reconnaissance satellites. 68 Fed. Reg. 1862 (January 14, 2003). Therefore, it is essential that other prime contractors competing with Northrop Grumman to sell satellite systems to the U.S. Government have non-discriminatory access to Northrop Grumman payload capability. Otherwise, as the CIS reflects, Northrop Grumman would have the ability and incentive to foreclose prime contractor competitors "by denying them the Northrop [Grumman] payload or by making personnel, investment, design, and other payload-related decisions that disadvantage those competitors." Id. Absent non-discriminatory access to payloads, the U.S. Government would be harmed because innovation in radar and EO/IR satellite programs

would be lessened and the Government would be less likely to obtain satellite systems that take advantage of both the best prime contractor and the best payload provider. Id.

Lockheed Martin is one of the nation's major suppliers of military satellite systems, with substantial expertise in designing, manufacturing, selling and integrating satellite systems using radar and/or EO/IR payloads. However, Lockheed Martin does not produce radar or EO/IR payloads for military satellites; rather, it is dependent on others to supply those payloads. Therefore, these comments focus on those parts of the proposed Order - particularly Section IV.B. - which are intended to protect competition in procurements where Northrop Grumman would be supplying payloads to other primes and also competing with those primes for the prime contract.

Lockheed Martin endorses many of the key provisions of the proposed Consent Order. In particular (subject to comments below), Lockheed Martin endorses those provisions which:

(1) require that Northrop Grumman supply competing prime contractors Northrop Grumman payloads "in a manner that does not discriminate in favor of its in-house proposal team against any other Prime Contractor on any basis" (see §IV.B.(1)(a));

(2) require that Northrop Grumman negotiate in good faith with prime contractors to enter into commercially reasonable teaming agreements and contracts for the purpose of bidding on satellite competitions and similar activities which shall not discriminate in favor of its in-house proposal team against any other prime contractor on any basis (see §IV.B.(1)(b));

(3) require that Northrop Grumman, on a non-discriminatory basis, provide information regarding its payload to its in-house proposal team(s) and to any prime contractor that has notified Northrop Grumman of a desire to obtain the Northrop Grumman payload or which has teamed with Northrop Grumman to obtain the payload (see §IV.B.(1)(d)); and

(4) require that Northrop Grumman "make all personnel, resource allocation and design decisions regarding its satellite payload capabilities on a non-discriminatory basis" (see §IV.B.(1)(e)).

These key "non-discrimination" requirements should assist in preserving competition/innovation on satellite programs involving radar and/or EO/IR payloads. Accordingly, subject to its comments below, Lockheed Martin also endorses those Consent Order provisions that would enforce these "non-discrimination" requirements and those that should incentivize Northrop Grumman to comply with the "non-discrimination" requirements. In particular, Lockheed Martin endorses the Consent Order provisions which:

(1) provide for appointment of a Compliance Officer to oversee compliance with the Order (see §V);

(2) require that Northrop Grumman maintain the former TRW Space & Electronics Satellite Systems businesses separate and apart from the Northrop Grumman payload business (see §IV.F);

(3) provide for substantial civil penalties for each violation of the Consent Order (see §VII);

(4) provide that the Consent Order's term shall be at least seven (7) years and can be extended for an additional three (3) years upon motion of the Justice Department[1] (see §X); and

(5) provide for continued Justice Department oversight of defendant's compliance with the Order (see §VI.).

II. Revisions Needed To Insure That the Purposes of the Consent Order Are Fulfilled

A. Northrop Grumman Should be Required To Negotiate Teaming Agreements "On a Timely Basis"

As the CIS acknowledges, prime contractors and payload providers "must work together at an early stage to develop an integrated system" that can perform the particular satellite mission. Therefore, it is important that Lockheed Martin (and other potential prime contractors) know early in the development of a satellite system that they will have non-discriminatory access to the particular Northrop Grumman payload capabilities. Any delay by Northrop Grumman in actively negotiating appropriate teaming agreements required by §IV.B.(1)(b) would jeopardize the competing prime contractor's ability to work with Northrop Grumman to develop the integrated system needed by the Government customer. Were that to happen, the U.S. Government would be denied effective competition for the satellite program.

To insure that Northrop Grumman enters into Teaming Agreements with Lockheed Martin and other prime contractors on a timely basis, and thus insure effective compliance with §IV.B.(2)(b), we urge that that Section be modified to make clear that Northrop Grumman is required to negotiate Teaming Agreements with other prime contractors "on a timely basis." Although this may vary depending on circumstances, the Consent Agreement should specify that "on a timely basis" generally means not later than thirty (30) days after the competing prime expresses desire for such Agreement.

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[1] Depending on the schedules of several anticipated satellite programs, it may well be necessary to extend the Consent Order for an additional three years.

B. The Exemption in Section IV B.(3) Should Be Stricken or at Least Modified

Section IV.B.(3) permits Northrop Grumman to "refuse to supply a Payload to any Satellite System Prime if the number and/or burden of Satellite System Primes seeking the benefit of this Section becomes unreasonably large." If Northrop Grumman invokes this provision, it is to notify the Compliance Officer, who makes a recommendation to the Air Force Secretary, who "shall have the sole discretion to decide with whom, and on what terms, Northrop enters into such teaming agreements."

We know of no legal basis to exempt Northrop Grumman from its non-discriminatory payload supply requirements simply because of the number of potential prime contractors. If, as the CIS acknowledges, Northrop Grumman is one of few suppliers of radar and EO/IR payloads, competition will be lessened on satellite products unless Northrop Grumman is obligated to supply that payload to competing primes. (An entity which is deemed an "essential facility" is obligated to serve all potential customers, regardless of their number.)[2]

The Consent Order should be revised to (1) make clear the precise (and we believe very limited) circumstances in which it may be applicable; and (2) provide Lockheed Martin and other prime contractors notice whenever it is being invoked, to afford us/them the opportunity to be heard by the Compliance Officer.

C. The Definition of "Discriminate" Should Be Stricken or Clarified

Lockheed Martin submits that the definition of "discriminate" set forth in Section II. N. of the Consent Order is unnecessary - at least as applied to §IV.B. - and could create "loopholes" that would enable Northrop Grumman to evade the key requirements of the Order.[3]

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[2] See MCI Communications Corp. v. AT&T, 708 F.2d 1081 (7th Cir.) cert denied, 464 U.S. 891 (1983).

[3] As a potentially competing prime, Lockheed Martin's comments focus on Section IV.B. of the Order (and not on Section IV.A., which applies to procurements where Northrop Grumman has already been selected as the prime.) For the reasons discussed herein, the phrase "for any reason other than the competitive merits" should not appear in any definition of "Discriminate" as that term is used in Section IV.B. Lockheed Martin takes no position with respect to whether the term "Discriminate" needs to be defined with respect to Section IV.A. and, if so, whether the proposed definition of that term is appropriate as applied to that Section.

As the CIS acknowledges, the "central provisions" of the Consent Order are the non-discrimination rules. Lockheed Martin believes that the basic requirements of those provisions, by their terms, are clear: Northrop Grumman must, inter alia: (1) supply competing prime contractors its payload "in a manner that does not discriminate in favor of its in-house proposal team against any other Prime Contractor on any basis;" (2) negotiate in good faith with competing prime contractors to enter into commercially reasonable teaming agreements that "shall not discriminate in favor of its in-house proposal team against any other Prime Contractor on any basis;" (3) provide information regarding its payload to its in-house proposal team and to any competing prime contractor; and (4) "make all personnel, resource allocation and design decisions regarding the payload on a non-discriminatory basis." See §IV.B.(1)(a), (b), (d), (e).

The scope of the "non-discrimination" rules is also made clear by the terms of these substantive provisions. Northrop Grumman must not discriminate "on any basis including but not limited to, price, schedule, quality, data, personnel, investment (including but not limited to, independent research and development), technology, innovations, design and risk." See §IV.B.(1)(a), (b).

Lockheed Martin submits that these "non-discrimination" rules as set forth in the substantive provisions of Section IV.B. of the Consent Order are clear and unambiguous and that there is no need to define the term "discriminate" as that term is used in Section IV.B. (We note that Congress saw no need to define the term "discriminate" in either the Robinson-Patman Act, 15 U.S.C. §13a, which prohibits certain price discrimination, or in statutes prohibiting discrimination by common carriers, see, e.g. 46 U.S.C. §1709.)

If the term "discriminate" is to be defined as it is used in Section IV.B., it should be clear and unambiguous, so as not to create confusion, and not create potential "loopholes," when read in conjunction with the substantive provisions (described above). In this regard, if it is deemed necessary to define the term at all we suggest "discriminate" be defined as: "to treat Northrop Grumman's in-house proposal team more favorably than any other competing prime contractor on any basis." Such definition would, we believe, be clear, but essentially duplicative of the substantive provisions (hence, our preference would be to omit any definition of "discriminate" entirely).

The existing definition of "discriminate" (in Section II.N.) creates confusion and potential "loopholes" and should not be made applicable to Section IV.B. or, in the alternative, should be modified in the manner suggested above. Specifically, we are concerned that Northrop Grumman could use the existing definition to favor itself in the supply of

payloads by arguing that such favoritism is permitted if done for "the competitive merits."[4] Such a reading would be completely contrary to the key substantive provisions of the Order - which prohibit Northrop Grumman from favoring itself "on any basis" (see §IV.B.(1)(a), (b), emphasis added). Moreover, the term "competitive merits" is ambiguous and nowhere explained in the Consent Order or in the CIS. Therefore, the entire phrase "for any reason other than the competitive merits" must be stricken from definition N (at least as applied to Section IV.B.) as both contrary to the key substantive non-discrimination rules of the Order and as ambiguous. Given that the non-discrimination provisions are the "central" provisions of the Order, no phrase should be allowed in any definition that could give Northrop Grumman opportunity to evade those "central" requirements.

D. Additional Time Should Be Provided For Teaming Agreement Reviews

The proposed Order provides that teaming agreements between Northrop Grumman and competing primes are to be submitted for approval to a Compliance Officer who shall have five (5) business days to review them. If the Compliance Officer does not approve a given teaming agreement, the matter will be submitted to the Secretary of the Air Force who shall have five (5) business days to determine the terms on which Northrop Grumman shall enter into teaming agreements. See §IV.B.(1)(c).

If the Compliance Officer determines that Northrop Grumman has discriminated in favor of its in-house proposal team, failed to negotiate a teaming agreement in good faith or refused to enter into a teaming agreement, the Compliance Officer shall refer the matter to the Secretary of the Air Force, who shall have five (5) business days to decide with whom and on what terms Northrop Grumman enters into teaming relationships. See §IV.B.(2).

We urge that the time periods described above be doubled to provide the Compliance Officer ten (10) business days to review teaming agreements and provide the Secretary of the Air Force ten (10) business days to review any recommendation of the Compliance Officer. Given the importance of this matter, and the demands on the Compliance Officer and Air Force Secretary, we believe this additional time is warranted.

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[4] Definition N states, inter alia, that "Discriminate" "means to choose or advantage Northrop, or to reject or disadvantage a Northrop Prime or Payload Competitor, in the procurement process for any reason other than the competitive merits" (emphasis added).

Conclusion

For the foregoing reasons, we urge that the proposed Consent Order be revised at least in the following respects: (1) that Section IV.B.(1)(b) be modified in the manner suggested in II.A. above to require that teaming agreements be entered into "on a timely basis;" (2) that Section IV.B.(3) be stricken or modified in the manner suggested in II.B. above so that the exemption in that Section is substantially narrowed; (3) that the definition of "Discriminate" stated in Section II.N. be stricken at least as it pertains to Section IV.B. or modified in the manner suggested in II.C. above; and (4) that the periods allowed for teaming agreement review by the Compliance Officer and Secretary of the Air Force be modified in the manner suggested in II.D. above.

Respectfully submitted,

Raymond A. Jacobsen, Jr.

cc: Kathy A. Brown, Esq.
Kevin C. Quin, Esq.
Stephen E. Smith, Esq.
Robert W. Wilder, Esq.